

AMS CHANGE REQUEST (CR) COVERSHEET

Change Request Number: 15-19

Date Received: Feb 3, 2015

Title: EVMS Policy

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Division/AAP-200

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Guidance and Policy must be submitted with separate CR coversheets.

Policy

Or

Procurement Guidance

Real Estate Guidance

Other Guidance

Summary of Change: Revision of FAA EVM Policy

Reason for Change: Restores Program Level EVM requirements and delineates IBR and surveillance responsibilities.

Development, Review, and Concurrence: AAP-200 presented this proposed policy revision to the JRC at the AQPR on January 28, 2015 and received approval.

Target Audience: Contracting personnel, investment analysis teams, acquisition workforce, program offices

Briefing Planned: Yes.

ASAG Responsibilities: AEB approved

Section / Text Location: 4.16.2 Contractor Management Control System Certification

The redline version must be a comparison with the current published FAST version.

I confirm I used the latest published version to create this change / redline

or

This is new content

Links:

<http://fast.faa.gov/docs/acquisitionManagementPolicy/AcquisitionManagementPolicy4.16.pdf>

Attachments: Redline and final.

Other Files: no other files affected by the change

Redline(s):

Section Revised: 4.16– Earned Value Management

Acquisition Management Policy - ~~(101/20145)~~ (2/2015)

4.16 [Earned Value Management](#) Revised 4/2014 2/2015

[4.16.1 Program EVM Requirements](#) Added 2/2015

~~4.16.14.16.2~~ [Contractor EVM Requirements](#) Revised 4/2014 2/2015

~~4.16.24.16.3~~ [Contractor Management Control System Certification](#) Revised 10/2014 2/2015

4.16 Earned Value Management Revised 4/2014 4/2015

Organizations responsible for FAA capital investment programs that involve development must comply with federal regulations as required by OMB Circular A-11 and other relevant OMB Memoranda regarding earned value management as it applies to both government and contractor development efforts regardless of contract type. The FAA uses EVM to manage development activities by providing timely, accurate, and integrated cost, schedule, and technical performance information.

EVM requirements are documented in the EVM Determination for each program by the EVM Focal Point prior to a Joint Resources Council (JRC) final investment decision (FID) or baseline change decision (BCD). However, the JRC may designate any program for the implementation of EVM at the program level or to any type of development contract based on an assessment of cost, schedule, and technical risk of each effort.

~~Organizations responsible for FAA capital investment programs that involve development, modernization, or enhancement may be required to develop and implement an earned value management (EVM) system. Earned value management provides the FAA with timely, accurate, and integrated cost, schedule, and technical performance information for managing development, modernization, and enhancement activity.~~

4.16.1 Program EVM Requirements Added 2/2015

All FAA programs identified as major programs for reporting to OMB must establish a program management and control system using the principles of an EVMS in ANSI/EIA-748. EVM data is extracted from the management and control system and reported to DOT for submission to OMB on a monthly basis. The program EVM system must be consistent with the program management and control strategy in the JRC approved implementation strategy and planning document. The program must create the necessary program management information, including the Program level Performance Measurement Baseline (PMB) and supporting documentation for its program integrated baseline review (IBR). The program will facilitate the conduct of the IBR which will be overseen by an FAA team of subject matter experts formed and led by the EVM Focal Point as part of the oversight role.

The Information Technology Strategy and Performance organization will conduct program level surveillance on all major programs.

4.16.14.16.2 Contractor EVM Requirements Revised 4/2014 2/2015

Implementation of EVM on development contract efforts is based on an assessment of cost, schedule, and technical performance risk of each contract. Implementation must be consistent with the program and contract management strategy in the implementation strategy and planning document.

Contractors are required to apply earned value management to development contracts over \$50

million and use a certified/validated EVM system for reporting. For development contracts between \$20 and \$50 million, the contractor management control system must comply with the ANSI/EIA-748 guidelines as tailored by the program manager, contracting officer, and EVM Focal Point but a certification/validation of the contractor EVM system is not required.

~~FAA capital investment programs must use Table 4.16.1-1 to determine application of earned value management to development, modernization, and enhancement work assigned to contractors. Implementation is based on contract value, contract type, and an assessment of cost, schedule, and technical performance risk of each contract. Implementation must be consistent with the acquisition strategy in the implementation strategy and planning document, section 2.8, Contract Management.~~

Table 4.16.1-1 FAA EVM Requirements

Contract Type	Contract Value > \$50M	Contract Value \$20M – \$50M	Contract Value < \$20M
Cost reimbursement	R	T	N
Fixed-price incentive	R	T	N
Firm fixed-price	N	N	N
Time & materials	N	N	N
Other contract types	N	N	N
Fixed-price construction	N	N	N

R = EVM normally required

T = Application of EVM is tailored by the program manager, contracting officer, and EVM focal point

N = EVM not normally applied

The ~~Joint Resources Council~~JRC may designate the application of earned value management to any development, modernization, and enhancement contract based on an assessment of cost, schedule, and technical risk of each contract. The contractor must provide an Integrated Program Management Report (IPMR) and participate in government led integrated baseline reviews.

The Program Office that manages the development contract will conduct contractor EVM surveillance.

4.16.24.16.3 Contractor Management Control System Certification Revised 10/2014 2/2015

~~Contractors are required to apply earned value management on development, modernization, and enhancement contracts over \$50 million. They must have an earned value management control~~

~~system that is certified to comply with the 32 guidelines of ANSI/EIA-748, Earned Value Management Systems. For development, modernization, and enhancement contracts between \$20 and \$50 million, the contractor management control system must comply with the ANSI/EIA-748 guidelines as tailored by the program manager, contracting officer, and EVM focal point. (See the FAA EVM Guide for tailoring guidance).~~

The contracting officer assisted by the EVM Focal Point validates the contractor management control system as meeting contract ~~t~~m management control requirements, ~~assisted by the EVM focal point~~. The EVM ~~f~~Focal ~~p~~Point assesses contractor implementation of its management control system and monitors application to ensure compliance. ~~The EVM focal point determines whether a contractor requires an EVMS certification review or whether an existing certification is acceptable.~~ Contractors not in compliance with the EVM requirements of a contract are subject to payment withholding in accordance with AMS clause 1.13-7 “Earned Value Management System – Withholding of Payment”. The EVM Focal Point determines whether a contractor requires an EVM system certification review or whether an existing certification is acceptable. The EVM ~~f~~Focal ~~P~~Point establishes agreements with other government agencies to recognize contractor EVM-certifications and surveillance reports.